

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
www.corp.ca.gov

**INSTRUCTIONS FOR COMPLETING AND FILING
APPLICATION FOR BROKER-DEALER CERTIFICATE ON FORM BD
(Uniform Application For Broker-Dealer Registration) (17 CFR 249.501)
NOT FILING BY NOTIFICATION**

(Only for use in connection with applications for a broker-dealer certificate pursuant to Corporations Code Section 25211)

FILING WITH THE CENTRAL REGISTRATION DEPOSITORY (“CRD”)

If you are a broker-dealer that can file an application on Form BD with the Central Registration Depository (“CRD”), the application for a certificate as a broker-dealer should be filed as follows:

1. FORM BD AND FILING FEE

Form BD should be completed in accordance with the form instructions and filed directly with CRD. The fee for filing an application for a broker-dealer certificate is \$300 and should be paid directly to CRD in accordance with its procedures. Fees are not refundable except pursuant Government Code Sections 13140-13144.

2. ADDITIONAL INFORMATION

(a) Customer Authorization of Disclosure of Financial Records - A [Customer Authorization of Disclosure of Financial Records \(Form QR 500.261\)](#) should be properly executed and maintained as part of your books and records. This form should be provided to the California Corporations Commissioner (“Commissioner”) upon request.

(b) Financial Information - Upon reviewing the application, the Commissioner may require you to submit the following financial information:

(1) A balance sheet as of a date within 45 days prior to the filing of the application, which need not be audited. If the balance sheet is not audited, you should also file an audited balance sheet as of the end of your last fiscal year.

(2) A calculation of the net capital and the ratio of net capital to aggregate indebtedness, in accordance with [CCR Section 260.216.12](#), as of the same date as the balance sheet(s) submitted under Item (b)(1) above.

(3) Copies of all currently effective subordination agreements. If any are substantially similar, attach one copy of the most standard form(s) and a schedule(s) showing the name and address of each lender and the dollar value of the subordinated items on each agreement.

(4) Minimum net capital requirement.

(c) Statement of Citizenship, Alienage, and Immigration Status – If you are filing as a sole proprietor, you should complete the [Statement of Citizenship, Alienage, and Immigration Status \(Form 250.61\)](#) pursuant to CCR Section 250.61. This form, along with any documents establishing proof thereof, should be maintained as part of your books and records.

(d) The Commissioner may request additional information, documentation or detail pertaining to Form BD to be filed directly with the Commissioner.

For the purposes of CCR Section 250.51, an application for a broker-dealer certificate is not considered filed until the Commissioner receives the required fee and all required submissions. The filing of Form BD with CRD does not constitute automatic approval. You should not consider the application approved until approved by the Commissioner and the approval has been received through CRD.

NOT FILING WITH THE CENTRAL REGISTRATION DEPOSITORY (“CRD”)

If you are a broker-dealer that cannot file an application on Form BD with the Central Registration Depository (“CRD”), the application for a certificate as a broker-dealer should be filed directly with the Commissioner as follows:

1. FORM BD AND FILING FEE

Form BD should be completed in accordance with the form instructions. The fee for filing an application for a broker-dealer certificate is \$300. Checks should be made payable to DEPARTMENT OF CORPORATIONS and mailed with Form BD to Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814-4052. Fees are not refundable except pursuant to Government Code Sections 13140-13144.

2. ADDITIONAL INFORMATION

(a) Financial Information – The following financial information should be filed with Form BD:

(1) A balance sheet as of a date within 45 days prior to the filing of the application, which need not be audited. If the balance sheet is not audited, you should also file an audited balance sheet as of the end of your last fiscal year.

(2) A calculation of the net capital and the ratio of net capital to aggregate indebtedness, in accordance with [CCR Section 260.216.12](#), as of the same date as the balance sheet(s) submitted under Item (a)(1) above.

(3) Copies of all currently effective subordination agreements. If any are substantially similar, attach one copy of the most standard form(s) and a schedule(s) showing the name and address of each lender and the dollar value of the subordinated items on each agreement.

(4) The date of your fiscal year end.

(5) Minimum net capital requirement.

If you are registered pursuant to Section 15 of the Securities Exchange Act of 1934, you may file a copy of your most recent annual report of financial condition and your most recent quarterly financial report required under 17 CFR 240.17a-5 in lieu of Items (a)(1) and (a)(2) above.

(b) Organizational Information and Other Exhibits – The following organization information and other exhibits should be filed with Form BD:

(1) If you are organized as a corporation, copies of your articles of incorporation, by-laws, amendments and certification.

(2) If you are organized as a partnership, copies of your partnership agreement and amendments.

(3) If you are organized as a limited liability company, copies of your articles of organization and amendments.

(4) If you are a sole proprietor, a completed [Statement of Citizenship, Alienage, and Immigration Status \(Form 250.61\)](#) pursuant to CCR Section 250.61.

(5) If you conduct business under a fictitious name, a certified copy of the Fictitious Business Name Statement required by Business and Professions Code Section 17910.

(6) Customer Authorization of Disclosure of Financial Records - A [Customer Authorization of Disclosure of Financial Records \(Form QR 500.261\)](#) should be properly completed and executed.

(c) If you are not registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) or if your agent records are not on file with CRD, the following information should be filed with Form BD:

(1) A statement demonstrating compliance with the examination requirements as found under [CCR Section 260.217](#).

(2) The Requesting Agency’s copy of the [Request for Live Scan Service](#) form obtained from the Department’s web site and the Department’s \$20 fingerprint processing fee for each person listed on Schedule A, B or C of Form BD. Note: The Request for Live Scan Service form should be completed in triplicate. You will need to take this three-part form to a live scan location and have your fingerprints taken by the operator. The fingerprints will be transmitted electronically to the Department of Justice (“DOJ”) for processing. You will be required to pay the fees charged by the DOJ for processing the fingerprints directly to the live scan operator. For current information concerning the location of live scan terminals, please visit the Attorney General’s web site at <http://caag.state.ca.us/fingerprints/publications/contact.htm>. You may also call our Customer Services Office at 1-866-ASK-CORP (1-866-275-2677) for information on Live Scan locations.

(d) The Commissioner may request additional information, documentation or detail pertaining to Form BD to be filed directly with the Commissioner.

For the purposes of CCR Section 250.51, an application for a broker-dealer certificate is not considered filed until the Commissioner receives the required fee and all required submissions. The filing of Form BD does not constitute automatic approval. You should not consider the application approved until approved by the Commissioner.

